

## AMENDMENTS TO THE CLAIMS

The following listing of claims replaces all previous listings and versions of claims in this application.

1. (Currently Amended) A system for administering a payout option of an individual annuity contract of a contract owner, wherein said individual annuity contract ~~can be~~ is a variable annuity contract or a fixed annuity contract, said system comprising:

a memory ~~for storing~~ including data relating to said individual annuity contract stored therein, said ~~individual annuity contract having data including~~ an associated payout option which permits the contract owner of said individual annuity contract to request and withdraw an amount of principal from the annuity during a payout phase of the individual annuity contract; and

a processor operatively coupled to said memory configured to read the associated payout option, to provide that option to a system user, and to calculate and issue a payout in response to a request from said contract owner for a withdrawal of the amount of principal from said annuity.

2. (Original) The system of claim 1 wherein the amount withdrawn is a portion of the entire principal.

3. (Original) The system of claim 1 wherein the amount withdrawn is the entire principal.

4. (Original) The system of claim 1 wherein said processor is further configured to calculate a withdrawal charge and deduct said withdrawal charge from said payout.

5. (Currently Amended) A method of administering a payout option of an individual annuity contract of a contract owner, wherein said individual annuity contract ~~can be~~ is a variable annuity contract or a fixed annuity contract, said method comprising the steps:

storing data relating to said individual annuity contract in a memory, said ~~individual annuity contract having~~ data including an associated payout option which permits the contract owner of said individual annuity contract to request and withdraw an amount of principal from the annuity during a payout phase of the individual annuity contract;

receiving a request from said contract owner for a withdrawal of the amount of principal from said annuity at a processor coupled to the memory;

using the processor to calculate ~~calculating~~ a payout of principal to said contract owner in response to said request; and

issuing said payout of principal to said contract owner.

6. (Original) The method of claim 5 wherein the amount withdrawn is a portion of the entire principal.

7. (Original) The method of claim 5 wherein the amount withdrawn is the entire principal.

8. (Original) The method of claim 5 comprising the further steps of calculating a withdrawal charge and deducting said withdrawal charge from said payout.